

Alstom

Ethics & Compliance

Overall Risk Assessment

December 2012



ALSTOM

Alstom Group in 2011/2012

- Alstom, a world leader in transport infrastructure, power generation and transmission
- Present in around 100 countries
- Sales: €19.9 billion
- 92,600 employees
- 4 sectors

Transport



Sales: €5.2 billion

Thermal power



Sales: €8.7 billion

Renewable power



Sales: €2 billion

Grid



Sales: €4 billion

Alstom's vision



Alstom's growth and profitability is built on innovation and quality. Infringing laws, acting without business ethics and personal integrity **inhibits innovation, increases costs, impairs quality.**

Alstom vision combines



The Alstom Integrity Programme – 1/2

- Tone at the Top
 - ⇒ *“Ethical rules and values guarantee our future”*
Patrick Kron, Chairman and CEO
- Independence and authority
 - ⇒ The SVP Ethics & Compliance reports to the Group General Counsel and has a direct access to the Chairman and CEO, to the Deputy CEO
 - ⇒ and to the Ethics, Compliance and Sustainability Committee of the Board.
- Adequate resources
 - ⇒ A dedicated E&C Department comprising 20 people, including 11 Compliance Officers,
 - ⇒ An E&C Ambassadors Community of 300 volunteers who diffuse the culture of integrity within the whole Group.

The Alstom Integrity Programme – 2/2

- Risk Assessment
- Content
 - ⇒ Alstom Code of Ethics available in 22 languages
 - ⇒ Group Instructions applicable to all employees
 - ⇒ The Alstom Alert Procedure
- Implementation
 - ⇒ E-Ethics e-learning module in 9 languages
 - ⇒ Intense internal communication means: dedicated intranet section, posters, newsletters, ...
 - ⇒ Ethics section on www.alstom.com
- Monitoring
 - ⇒ Close collaboration with Internal Control and Audit
 - ⇒ Certification by ETHIC Intelligence of the Alstom Integrity Programme.



E&C Overall Risk Assessment

- Part of the Group risk management policy, the E&C Risk Assessment is a section of the Group yearly Risk Assessment review and of the Risk Mapping.
- Designed to:
 - Help to decide upon and set the key priorities
 - Share with key internal stakeholders
 - Create the most appropriate ethics and compliance programme for the Group
 - Assess the effectiveness of our current tools
 - Develop new actions to mitigate risks
 - Ensure the continuous improvement of the Alstom Integrity Programme

E&C Overall Risk Assessment

- Based on an analysis of the Group activities:
 - Business model: industry – markets – countries – customers, ...
 - Operational processes: tendering (including business advisors)- sales – engineering – sourcing – procurement – supply chain – project execution (including partnerships and consortia)
 - Support processes: Strategy (M&A – JV) – Legal - HR – Finance, ...
 - Crosswise topics: Gifts & Hospitality, Charitable and Political contributions, Conflicts of interests, facilitation payments
- Ranking of the risk on a scale from low to very high
- Identification of:
 - mitigation factors currently in place
 - mitigation factors to be implemented

E&C Overall Risk Assessment

- In addition, the company conducts every year a Country Risk Analysis, prepared on the basis of the Transparency International Corruption Perceptions Index (CPI) and on the basis of the geographical footprint in terms of sales.
- Complemented by external sources of information:
 - US Federal Sentencing Guidelines
 - UK Bribery Act 2010 Guidance
 - OECD Guidelines for Multinational Enterprises
 - ICC Guidelines
 - Transparency International Business Principles for Countering Bribery
 - Transparency International corruption perception index

The cornerstone to build the Alstom Integrity Programme

www.alstom.com/ethics

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